

VZCZCXRO0387
RR RUEHMA RUEHPA
DE RUEHRY #1219/01 3111224
ZNR UUUUU ZZH
R 071224Z NOV 07
FM AMEMBASSY CONAKRY
TO RUEHC/SECSTATE WASHDC 1841
INFO RUEHZK/ECOWAS COLLECTIVE
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SECTION 01 OF 02 CONAKRY 001219

SIPDIS

DEPT PLEASE PASS TO USTR FOR LAURIE ANN AGAMA
COMMERCE FOR SALIHA LOUCIF

SIPDIS

E.O. 12598: N/A
TAGS: [ECPS](#) [EIND](#) [ECON](#) [GV](#)
SUBJECT: ORANGE ENTERS GUINEA'S CELL PHONE MARKET

¶1. (U) SUMMARY: Orange, Guinea's newest telecom operator, launched its operations on November 5 with a ceremony and short welcoming speech by Prime Minister Kouyate. Representing a joint partnership with Orange Groupe France Telecom, Orange's local business partner has big plans for Guinea. Local consumers hope that Guinea's newest telecommunication company can help improve overall communications and pressure prices downward. END SUMMARY.

¶2. (U) Prior to the official launch ceremony, EconOff met with Kalil Aboukhalil, Managing Director of Orange Guinea on October 30. Aboukhalil, who is also a close friend of President Lansana Conte, said that his company, Spacotel, decided to go into partnership with Orange Groupe France Telecom (FT) in order to provide cost-effective, reliable network coverage. According to Aboukhalil, FT invested approximately USD 21,400,000 into the project, making FT the major shareholder in the new Orange Guinea company. Aboukhalil said Spacotel needed a strong partner such as Orange to compete effectively with Sotelgui, Areeba, Intercel and eventually Celcom, a US operator that is also preparing to launch a cell phone network in late 2008.

¶3. (U) Orange, noted Aboukhalil, with its experience, professionalism, and financial resources will be able to introduce new products and services into Guinea. He contrasted the benefits of an Orange partnership with those of other local operators, which he characterized as simple businessmen with no professional skills. Aboukhalil added that Orange's success in neighboring Senegal, Ivory Coast, Mali and Guinea-Bissau will provide useful experience as it seeks to be the leading mobile operator in Guinea. Aboukhalil said that with its hundred million subscribers around the world, Orange will make a difference in Guinea.

WIDER NETWORK COVERAGE

¶4. (U) According to Aboukhalil, during the first phase of its rollout, Orange will cover the following prefectures: Kindia, Coyah, Dubreka, Boke, Mamou, Pita, Labe, Kankan, Faranah, and N'Zerekore. The second phase will include Fria, Dalaba, and Siguiri. The company's immediate target is to have network coverage in at least limited zones in all prefectures by the end of 2007, and along all major roads leading to the country's borders by January 2008. Aboukhalil said he hopes to extend network coverage throughout all of Guinea by the end of 2008.

NETWORK CAPACITY

¶5. (U) Orange's initial network capacity, Aboukhalil said, is for 1.5 million subscribers and he already has approximately 300,000 subscribers signed up. Foret-Forte, a Chinese logging firm operating in the Forest region, purchased 2000 SIM cards.

Aboukhalil added that he expects Orange to increase its market share rapidly. He also disclosed that roaming services will soon be available within some areas of the U.S. and the E.U.

JOB CREATION

¶6. (U) Aboukhalil confided that as a member of the Economic and Social Council and the Guinean Patronat, he has always advocated for youth employment, professional and undergraduate alike. He said he has hired the Government's former Director of Telecommunications to provide technical expertise and estimates that Orange will provide 2000 direct jobs and 30,000 indirect jobs. SIM and calling card distribution alone will create thousands of jobs, in addition to employment for telecom engineers, technicians, agents, etc.

CORPORATE RESPONSIBILITY

¶7. (U) On the social front, Aboukhalil said that Orange plans to be a model company and will focus on key social priorities in both urban centers and villages. Construction of schools, health centers, provision of ambulances, scanners and clean water will be a top priority, he said. "We are here to make profits and at the same time, help eradicate poverty," he noted. Aboukhalil also disclosed that Orange intends to sponsor Guinea's national team for the African Cup of Nations Competition in Accra, in January 2008.

DIFFICULTIES

¶8. (U) Aboukhalil reported some difficulties Orange faces in

CONAKRY 00001219 002 OF 002

starting operations, which include unnecessary government bureaucracy, uncompromising prefects, inaccessible roads in certain areas and problems installing equipment in high mountainous areas.

COMMENT

¶9. (U) In a country where land lines frequently do not work, Guinea's telecommunication sector is currently dominated by two network providers: Sotelgui and Areeba. Many people subscribe to both services and carry two phones in order to improve communication capability. Consumers reportedly hope that the addition of a third competitor could further improve communications and possibly encourage market rates to drop. Already, the cost of SIM cards and rates reportedly went down considerably over the past few months, as the existing cell phone companies cut rates in anticipation of Orange's entry into the market.

¶10. (U) Of note, there was a crowd of approximately 75 people standing outside the facility waiting to see the Prime Minister during the opening ceremony. The crowd exploded into cheers, clapping, and waving when Kouyate drove up to the building. They then waited outside while the ceremony took place inside the walled compound. When the Prime Minister left, the crowd repeated its cheering and waving at the departing caravan. Interestingly, upon further investigation, Embassy discovered that most of the crowd was paid to be there, and were brought in from downtown Conakry by Orange - no small feat given the distance between the facility and downtown. END COMMENT.

CARTER